

# A-Engrossed House Bill 3940

Ordered by the House April 15  
Including House Amendments dated April 15

Sponsored by Representatives LIVELY, LEVY B

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act raises and moves money to pay for wildfire costs. The Act makes certain changes to laws related to forests and fire protection. (Flesch Readability Score: 74.8).

Places a surcharge on sales of beverage containers for purposes of wildfire prevention and response.

Directs insurance retaliatory tax revenue to wildfire prevention and response.

Transfers one-half percent of General Fund appropriations per biennium to *[a fund]* **funds** for wildfire prevention and response.

Transfers 50 percent of the amount held in the Oregon Rainy Day Fund to *[a fund]* **funds** for wildfire prevention and response.

Makes certain changes related to the forest products harvest tax, **forest protection districts**, minimum assessments and surcharges, **the Emergency Fire Cost Committee**, **forestland acreage assessments**, zones for fire protection in certain areas and *[the formation of]* rural fire protection districts.

**Authorizes certain transfers from the State Fire Marshal Mobilization Fund.** Requires the Legislative Assembly to make moneys available to the State Forestry Department and the Department of the State Fire Marshal to repay loans from the State Treasurer for wildfire suppression costs. **Creates an offset against fire protection costs for certain forestland.**

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to wildfire; creating new provisions; amending ORS 242.702, 291.055, 321.005, 321.015, 476.565, 477.001, 477.205, 477.230, 477.270, 477.277, 477.281, 477.295, 477.440, 477.445, 477.450, 477.455, 477.460, 477.750, 477.755, 477.760, 477.775, 477.777, 478.010, 478.120 and 478.140; repealing ORS 476.310, 476.320, 476.330, 476.340, 477.415, 477.880, 477.960 and 477.970; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

**Be It Enacted by the People of the State of Oregon:**

## BEVERAGE CONTAINER SURCHARGE

**SECTION 1.** Section 2 of this 2025 Act is added to and made a part of ORS 459A.700 to 459A.744.

**SECTION 2.** (1) A dealer shall collect a five cent surcharge on each beverage container sold in this state. At least once per quarter, a dealer shall transfer the full amount of surcharges collected under this section to the Department of the State Fire Marshal.

(2)(a) The department shall deposit half of the amounts received under this section in the State Fire Marshal Mobilization Fund established under ORS 476.565.

(b) The department shall transfer half of the amounts received under this section to the State Forestry Department for deposit in the Landscape Resiliency Fund established under

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **ORS 477.502.**

2 (3) The Oregon Liquor and Cannabis Commission, in consultation with the Department  
3 of the State Fire Marshal, shall adopt rules necessary for the administration of this section.

4  
5 **INSURANCE RETALIATORY TAX**

6  
7 **SECTION 3.** (1) Once per year, the Department of Consumer and Business Services shall  
8 determine the aggregate amount of revenue collected by the department pursuant to the  
9 retaliatory tax imposed on insurers under ORS 731.854.

10 (2)(a) The department shall transfer an amount equal to half of the amount determined  
11 under subsection (1) of this section to the Department of the State Fire Marshal for deposit  
12 in the State Fire Marshal Mobilization Fund established under ORS 476.565.

13 (b) The Department of Consumer and Business Services shall transfer an amount equal  
14 to half of the amount determined under subsection (1) of this section to the State Forestry  
15 Department for deposit in the Landscape Resiliency Fund established under ORS 477.502.

16  
17 **ENDING BALANCE**

18  
19 **SECTION 4.** (1) Except as provided in subsection (2) of this section, immediately after the  
20 time of each transfer to the Oregon Rainy Day Fund under ORS 293.146, an amount equal  
21 to one-half percent of the amount of General Fund appropriations for the preceding biennium  
22 shall be transferred in equal shares from the General Fund to the State Fire Marshal  
23 Mobilization Fund established under ORS 476.565 and to the Landscape Resiliency Fund es-  
24 tablished under ORS 477.502.

25 (2) If the remaining ending balance does not equal or exceed the amount required to be  
26 transferred under subsection (1) of this section, then an amount equal to the remaining  
27 ending balance shall be transferred in equal shares from the General Fund to the State Fire  
28 Marshal Mobilization Fund established under ORS 476.565 and to the Landscape Resiliency  
29 Fund established under ORS 477.502.

30 (3) As used in this section:

31 (a) "Ending balance" has the meaning given that term in ORS 293.146.

32 (b) "General Fund appropriations" has the meaning given that term in ORS 293.146.

33 (c) "Remaining ending balance" means an ending balance, minus the amount actually  
34 transferred to the Oregon Rainy Day Fund under ORS 293.146 after the biennium to which  
35 the ending balance relates.

36  
37 **OREGON RAINY DAY FUND**

38  
39 **SECTION 5.** (1) Notwithstanding ORS 293.144, an amount equal to 25 percent of the  
40 amount held in the Oregon Rainy Day Fund immediately prior to the transfers required un-  
41 der this section is transferred from the Oregon Rainy Day Fund to the State Fire Marshal  
42 Mobilization Fund established under ORS 476.565. The transfer shall be made on September  
43 1, 2025.

44 (2) Notwithstanding ORS 293.144, an amount equal to 25 percent of the amount held in  
45 the Oregon Rainy Day Fund immediately prior to the transfers required under this section

is transferred from the Oregon Rainy Day Fund to the Landscape Resiliency Fund established under ORS 477.502. The transfer shall be made on September 1, 2025.

## FOREST PRODUCTS HARVEST TAX FOR WILDFIRE MITIGATION AND SUPPRESSION

**SECTION 6.** ORS 321.015 is amended to read:

321.015. (1) For the calendar years beginning January 1, [2024] **2026**, and January 1, [2025] **2027**, there is levied a privilege tax of 90.00 cents per thousand feet, board measure, upon taxpayers for the privilege of harvesting of all merchantable forest products harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (2) to the Forest Research and Experiment Account for use for the forest resource research, experimentation and studies described in ORS 526.215 and for the Forest Research Laboratory established under ORS 526.225.

(2)(a) *[Except as provided in ORS 477.760,]* In addition to the tax levied by subsection (1) of this section, there is levied a forest products harvest tax upon taxpayers of [62.5] **100** cents per thousand feet, board measure, for the privilege of harvesting all merchantable forest products harvested on forestlands for the payment of benefits related to fire suppression as provided in ORS 321.005 to 321.185, 321.560 to 321.600 and 477.440 to 477.460.

**(b)(A) The rate set under paragraph (a) of this subsection for any calendar year shall be adjusted by the percentage, if any, by which the monthly averaged Consumer Price Index for All Urban Consumers, West Region (All Items) for the 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged index for the 12 consecutive months ending August 31, 2024.**

**(B) The adjustment computed under subparagraph (A) of this paragraph shall be rounded to the nearest one-tenth of a cent.**

(3) For the calendar years beginning January 1, [2024] **2026**, and January 1, [2025] **2027**, in addition to the taxes levied under subsections (1) and (2) of this section, there is levied a privilege tax upon taxpayers for the privilege of harvesting all merchantable forest products harvested on forestlands in the amount of 253.46 cents per thousand feet, board measure, for the purpose of administering the Oregon Forest Practices Act in an amount not to exceed 40 percent of the total expenditures approved by the Legislative Assembly for this purpose, including salary adjustments approved by the Legislative Assembly for fiscal years [2024] **2026** and [2025] **2027**.

(4) For the calendar years beginning January 1, 2024, and January 1, 2025, in addition to the taxes levied by subsections (1) to (3) of this section, there is levied a privilege tax of 21 cents per thousand feet, board measure, upon taxpayers for the privilege of harvesting all merchantable forest products harvested on forestlands. Subject to ORS 321.145, the proceeds of the tax shall be transferred as provided in ORS 321.152 (5) to the subaccount established pursuant to ORS 350.520 for use by Oregon State University for the purpose of making investments in professional forestry education at the College of Forestry.

(5) Subject to subsection (6) of this section, the taxes shall be measured by and be applicable to each per thousand feet, board measure, on the total quantity of forest products harvested in this state measured by use of any log scale which is or may be in general use in the logging industry and which is designed to measure total volume of merchantable forest products in board feet. However, if the Department of Revenue finds that the scale used by any taxpayer in computing the taxes

due under ORS 321.005 to 321.185 and 321.560 to 321.600 does not accurately reflect the total quantity of merchantable forest products harvested by the taxpayer, it may require the taxpayer to adopt another log scale in general use in the industry which in the department's opinion will accurately reflect merchantable harvest in board feet.

(6) The first 25,000 feet, board measure, of forest products harvested annually by any taxpayer during each calendar year shall be excluded from the total quantity of harvested forest products that constitutes the measure of the taxes under ORS 321.005 to 321.185 and 321.560 to 321.600.

(7)(a) Not later than March 10 of each odd-numbered year, the Legislative Assembly shall begin considering the biennial forest products harvest tax rates levied under subsections (1), (3) and (4) of this section.

(b) Upon request of the Legislative Revenue Officer or the Legislative Fiscal Officer, the State Forestry Department shall provide the respective officers with relevant timber harvest data for the purposes of paragraph (a) of this subsection.

**SECTION 7. The amendments to 321.015 by section 6 of this 2025 Act apply to calendar years beginning on or after January 1, 2026.**

**SECTION 8.** ORS 321.005 is amended to read:

321.005. As used in ORS 321.005 to 321.185[,] **and** 321.560 to 321.600 [*and 477.440 to 477.460*], unless the context requires otherwise:

[(1) *"Board" means the State Board of Forestry.*]

[(2) *"Protected forestlands" means those lands which are protected from the starting or spread of fire thereon or therefrom by:*]

[(a) *The State Forester, with the approval of the board;*]

[(b) *The United States of America through contract with the State Forester;*]

[(c) *Any forest protective agency under contract with the State Forester or the board pursuant to ORS 477.406; or*]

[(d) *Any forest protective agency, described in paragraph (c) of this subsection, under an agreement with the United States of America wherein such agency agrees to protect specific federal forestlands and, in return, the United States of America agrees to protect specific lands of such agency.*]

[(3) *"Department" means the Department of Revenue.*]

[(4) *"Committee" means the Emergency Fire Cost Committee.*]

**(1) "Consumer Price Index for All Urban Consumers, West Region (All Items)" means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.**

[(5)] **(2) "Forestland" means any land producing forest products.**

[(6)] **(3) "Forest products" means products from harvested timber, but does not include products from short rotation fiber grown under agricultural conditions as described in ORS 321.267 (3) or 321.824 (3), western juniper or products from harvested western juniper.**

[(7)] **(4) "Harvest" means the point at which timber that has been cut, severed, or removed for purposes of sale or use is first measured in the ordinary course of business as determined by reference to common practice in the timber industry.**

[(8)] **(5) "Merchantable stand of timber" means any stand on forestlands containing living or dead timber which is being or can be harvested.**

[(9) *"Taxpayer" means the owner of timber at time of harvest.*]

**(6) "Owner of timber" means any individual or combination of individuals, partnership, firm, corporation or association of whatever nature holding title to harvested timber by**

virtue of:

(a) An instrument of conveyance;

(b) The harvesting of the timber; or

(c) The harvesting of the timber and payment therefor.

[(10)] (7) "Taxes" means the taxes provided for in ORS 321.015.

[(11)] "Owner of timber" means any individual or combination of individuals, partnership, firm, corporation or association of whatever nature holding title to harvested timber by virtue of:]

[(a)] An instrument of conveyance;]

[(b)] The harvesting of the timber; or]

[(c)] The harvesting of the timber and payment therefor.]

(8) "Taxpayer" means the owner of timber at time of harvest.

[(12)] (9) "Timber" means all logs which can be measured in board feet and other forest products as determined by department rule.

**SECTION 9. ORS 477.415 is repealed.**

## STATE FORESTRY DEPARTMENT LARGE WILDFIRE FUND

**SECTION 10.** (1) The State Forestry Department Large Wildfire Fund is established in the State Treasury, separate and distinct from the General Fund.

(2) The State Forestry Department Large Wildfire Fund shall be held by the State Treasurer as a fund for use by the State Forestry Department for wildfire mitigation and suppression. The State Treasurer shall deposit and invest moneys in the fund as provided by law, taking into account its uses. Interest earned by the fund shall be credited to the fund.

(3) The fund consists of moneys appropriated by the Legislative Assembly for deposit in the fund and other moneys appropriated to, allocated to, deposited in or transferred to the fund by the Legislative Assembly or otherwise.

## DEFINITION OF "CENTRALIZED ADMINISTRATION COSTS"

**SECTION 11.** ORS 477.001 is amended to read:

477.001. As used in this chapter[, *unless the context otherwise requires*]:

(1) "Additional fire hazard" means a hazard that has been determined to exist by the forester pursuant to ORS 477.580.

(2) "Board" means the State Board of Forestry.

(3) "Campfire" means any open fire used for cooking, personal warmth, lighting, ceremonial or aesthetic purposes that is hand built and that is not associated with any debris disposal activities.

(4) "Centralized administration costs" means all costs associated with:

(a) Administration of the State Forestry Department;

(b) The following services, provided statewide and in areas of this state by the department:

(A) Fire management on forestland;

(B) Emergency response and support; and

(C) Other services not described in this paragraph; and

(c) The procurement of supplies related to purposes described in this subsection.

[(4)] (5) "Department" means the State Forestry Department.

1       [(5)] (6) "District" means a forest protection district organized under ORS 477.225.

2       [(6)] (7) "Every reasonable effort" means the use of the reasonably available personnel and  
3 equipment under the supervision and control of an owner or operator, which are needed and effec-  
4 tive to fight the fire in the judgment of the forester and which can be brought to bear on the fire  
5 in a timely fashion.

6       [(7)] (8) "Fire season" means a period designated pursuant to ORS 477.505.

7       [(8)] (9) "Fiscal year" means the period beginning on July 1 of any year and ending on June 30  
8 of the next year.

9       [(9)] (10) "Forestland" means any woodland, brushland, timberland, grazing land or clearing that,  
10 during any time of the year, contains enough forest growth, slashing or vegetation to constitute, in  
11 the judgment of the forester, a fire hazard, regardless of how the land is zoned or taxed. As used in  
12 this subsection, "clearing" means any grassland, improved area, lake, meadow, mechanically or  
13 manually cleared area, road, rocky area, stream or other similar forestland opening that is sur-  
14 rounded by or contiguous to forestland and that has been included in areas classified as forestland  
15 under ORS 526.305 to 526.370.

16       [(10)] (11) "Forest patrol assessment" means the costs levied and assessed under ORS 477.270.

17       [(11)] (12) "Forest protective association" or "association" means an association, group or  
18 agency composed of owners of forestlands, organized for the purpose of protecting such forestlands  
19 from fire.

20       [(12)] (13) "Forest resource" means the various types of vegetation normally growing on  
21 Oregon's forestland, the associated harvested products and the associated residue, including but not  
22 limited to brush, grass, logs, saplings, seedlings, trees and slashing.

23       [(13)] (14) "Forester" means the State Forester or authorized representative.

24       [(14)] (15) "Governing body" of a county means the county court or board of county commis-  
25 sioners.

26       [(15)] (16) "Grazing land" is defined by ORS 477.205.

27       [(16)] (17) "Open fire" means any outdoor fire that occurs in such a manner that combustion air  
28 is not effectively controlled and combustion products are not effectively vented through a stack or  
29 chimney.

30       [(17)] (18) "Operation" means any industrial activity, any development or any improvement on  
31 forestland inside or within one-eighth of one mile of a forest protection district, including but not  
32 limited to the harvesting of forest tree species, the clearing of land, the use of power-driven ma-  
33 chinery and the use of fire, excluding, however, the culture and harvesting of agricultural crops.

34       [(18)] (19) "Operation area" means the area on which an operation is being conducted and the  
35 area on which operation activity may have resulted in the ignition of a fire.

36       [(19)] (20) "Operation in progress" means that time when workers are on an operation area for  
37 the purpose of an operation, including the period of time when fire watches are required to be on  
38 the operation area pursuant to ORS 477.665.

39       [(20)] (21) "Operator" means any person who, either personally or through employees, agents,  
40 representatives or contractors, is carrying on or has carried on any operation.

41       [(21)] (22) "Owner" means an individual, a combination of individuals, a partnership, a corpo-  
42 ration, the State of Oregon or a political subdivision thereof, or an association of any nature that  
43 holds an ownership interest in land.

44       [(22)] (23) "Political subdivision" includes, but is not limited to, counties, cities and special dis-  
45 tricts.

[(23)] **(24)** "Rangeland" is defined by ORS 477.315.

[(24)] **(25)** "Routine road maintenance" is defined by ORS 477.625.

[(25)] **(26)** "Side" means any single unit of a logging operation employing power-driven machinery.

[(26)] **(27)** "Slashing" means the forest debris or refuse on any forestland resulting from the cutting, killing, pruning, severing or removal of brush, trees or other forest growth.

[(27)] **(28)** "State Forester" means the person appointed State Forester pursuant to ORS 526.031 or the person serving in the position on an interim or delegated basis.

[(28)] **(29)** "Summit of the Cascade Mountains" is considered to be a line beginning at the intersection of the northern boundary of the State of Oregon and the western boundary of Wasco County; thence southerly along the western boundaries of Wasco, Jefferson, Deschutes and Klamath Counties to the southern boundary of the State of Oregon.

[(29)] **(30)** "Timberland" is defined by ORS 477.205.

[(30)] **(31)** "Warden" means a fire warden appointed under ORS 477.355.

## FOREST PROTECTION DISTRICTS

**SECTION 12.** ORS 477.205 is amended to read:

477.205. As used in ORS 477.205 to 477.281[, *unless the context requires otherwise*]:

**(1) "Budget" means an estimate of the amount of moneys a forest protection district needs for preparedness for, and for the prevention and suppression of, forest fires on forestland.**

[(1)] **(2)** "Grazing land" means forestland, within a forest protection district, that has been classified as Class 3, agricultural class, as provided by ORS 526.305 to 526.370.

[(2)] **(3)** "Timberland" means forestland, within a forest protection district, that has not been classified as Class 3, agricultural class, under ORS 526.305 to 526.370.

**SECTION 13.** ORS 477.230 is amended to read:

477.230. (1) The annual cost of protection provided by the [forester] **State Forester** for forestland within a forest protection district shall be as [follows:] **described in this section.**

[(a)] **(2)(a)** Grazing land within the district shall be protected by the [forester] **State Forester** at a pro rata cost **of not less than 30 cents** per acre for all grazing land within the district boundary. However, forest patrol assessments levied and assessed under ORS 477.270 against such lands that are not owned by public agencies, **including grazing land owned in fee by a federally recognized Indian tribe in this state or by a member of a federally recognized Indian tribe in this state**, may not exceed one-half of the pro rata cost per acre[, *exclusive of any assessment per acre under ORS 477.880*].

**(b)(A) Except as provided by subparagraph (B) of this paragraph, the rates established by paragraph (a) of this subsection shall be adjusted annually for inflation since 2025 based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.**

**(B) If the annual adjustment under this paragraph results in a rate that is lower than the rate for the previous year, the rate shall remain unchanged from the previous year.**

[(b)] **(3)** Timberland within the district shall be protected by the [forester] **State Forester** at a pro rata cost per acre for all timberland within the district boundary. However, forest patrol assessments levied and assessed under ORS 477.270 against [such lands] **timberland** that [are] **is** not

owned by public agencies, **including grazing land owned in fee by a federally recognized Indian tribe in this state or by a member of a federally recognized Indian tribe in this state**, may not exceed one-half of the pro rata cost per acre[, *exclusive of any assessment per acre under ORS 477.880*].

[(2)] (4) The cost of protection described in this section shall be in accordance with a budget for the district approved by the State Board of Forestry.

**SECTION 14.** ORS 477.270 is amended to read:

477.270. (1) Subject to the forest patrol assessment limitations set forth in ORS 477.230:

(a) The budgeted cost of the forester, as provided for in ORS 477.205 to 477.281, in providing protection for privately owned forestland shall be a lien upon such property, shall be reported by the forester to the governing body of the county in which the lands are situated on or after July 1 of each fiscal year, and shall be levied and collected by the governing body with the next taxes on the land in the same manner and with the same interest, penalty and cost charges as apply to ad valorem property taxes in this state. The governing body shall instruct the proper officer to extend the amounts on the assessment roll in a separate account, and the procedure provided by law for the collection of taxes and delinquent taxes shall apply. Upon collection thereof, the governing body shall repay the entire amount collected to the forester.

(b) In lieu of the procedures under paragraph (a) of this subsection, the forester, under the direction of the State Board of Forestry, may make direct billing of the budgeted cost to owners of forestland and receive payment of the cost therefrom. In the event that under such billing procedures any owners fail to make payment, the unpaid budgeted cost shall become a lien against the property so billed and shall be levied and collected with the next taxes on such property as described in paragraph (a) of this subsection.

(c) The budgeted cost of the forester in providing protection for forestland owned by the state or by a political subdivision shall be paid to the forester on or before the first day of January of the fiscal year for which such protection is to be provided.

(2) Except as provided in ORS 477.230 [(2)] (4), all moneys received by the forester pursuant to this section shall be paid into the State Treasury, credited to the State Forestry Department Account and used exclusively for the purposes of ORS 477.205 to 477.281.

## MINIMUM ASSESSMENT AND SURCHARGE

**SECTION 15.** ORS 477.277 is amended to read:

477.277. (1)(a) In addition to any other assessment prescribed by ORS 477.205 to 477.281, [*in any fiscal year in which the Emergency Fire Cost Committee determines pursuant to ORS 477.760 that the unencumbered balance of the Oregon Forest Land Protection Fund is less than \$22.5 million,*] a surcharge shall **annually** be levied and assessed in the amount of [<\$47.50>] **\$58** for each improved lot or parcel[, *except as provided in ORS 477.760,*] to defray the increased cost of fire suppression on forestland that is caused by the existence of the improvements.

(b)(A) **Except as provided in subparagraph (B) of this paragraph, the surcharge established by paragraph (a) of this subsection shall be adjusted annually for inflation since 2025 based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.**

(B) **If the annual adjustment under this paragraph results in a surcharge that is lower than the surcharge for the previous year, the surcharge shall remain unchanged from the**



**previous year.**

(2) All surcharge moneys collected pursuant to this section shall be paid into the Oregon Forest Land Protection Fund.

(3) If an owner of forestland files a forest protection plan with the forester which is approved by the State Board of Forestry under ORS 477.210 (2), the owner shall not be required to pay the surcharge levied under subsection (1) of this section.

(4) Contiguous lots included in a combined lot that is described in ORS 477.295 [(3)(a)] **(2)(a)** and whose owner has made application to the forester under ORS 477.295 [(4)] **(3)** are considered one lot for purposes of subsection (1) of this section.

(5) As used in this section, a lot or parcel is “improved” if it is indicated as improved in the county assessor’s property classification files or if a manufactured dwelling is sited on the lot or parcel.

**SECTION 16.** ORS 477.281 is amended to read:

477.281. (1) The obligation of an owner of timberland or grazing land for payment of assessments and taxes for fire protection of forestland is limited to:

(a) The payment of moneys pursuant to ORS 321.015 (2), 477.277[,] **and** 477.295[, 477.760 (4) and 477.880 to maintain] **into** the Oregon Forest Land Protection Fund; and

(b) The payment of forest protection district assessments pursuant to ORS 477.205 to 477.281.

(2) As used in this section, “obligation of an owner of timberland or grazing land for payment of assessments and taxes for fire protection of forestland” does not include the duties or obligations of the owner under ORS 477.066, 477.068 or 477.120 or the obligations of an owner of land included in a rural fire protection district pursuant to ORS 478.010.

**SECTION 17.** ORS 477.295 is amended to read:

477.295. (1)(a) For purposes of making the levy and assessment of costs against forestland under ORS 477.270, the minimum cost to provide fire protection or suppression for any lot or parcel of real property separately assessed for ad valorem taxes or other taxes provided by law in lieu thereof, on the current assessment roll shall be not less than **\$20**. [*\$18.75, except as provided in ORS 477.760. Three dollars and seventy-five cents of each minimum assessment shall be paid into the Oregon Forest Land Protection Fund. Otherwise,*] Such assessments shall be determined under ORS 477.230 and 477.270.

**(b)(A) Except as provided in subparagraph (B) of this paragraph, the minimum cost established by paragraph (a) of this subsection shall be adjusted annually for inflation since 2025 based on the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.**

**(B) If the annual adjustment under this paragraph results in a minimum cost that is lower than the minimum cost for the previous year, the minimum cost shall remain unchanged from the previous year.**

*[(2) In any fiscal year in which the Emergency Fire Cost Committee determines pursuant to ORS 477.760 that the unencumbered balance of the Oregon Forest Land Protection Fund has:]*

*[(a) Increased to an amount:]*

*[(A) More than \$22.5 million but less than or equal to \$30 million, the minimum assessment referred to in subsection (1) of this section shall be \$16.88 for each lot or parcel. Of that amount, \$1.88 of each minimum assessment shall be paid into the Oregon Forest Land Protection Fund.]*

*[(B) More than \$30 million, the minimum assessment referred to in subsection (1) of this section shall be \$15 for each lot or parcel. This amount shall be treated in the same manner as assessments*

under ORS 477.230 and 477.270.]

[(b) Decreased to an amount that is at or below \$22.5 million, the minimum assessment referred to in subsection (1) of this section shall be \$18.75 for each lot or parcel. This amount shall be treated in the same manner as assessments under subsection (1) of this section.]

[(3)] (2) Upon application to the [forester] **State Forester** under subsection [(4)] (3) of this section, contiguous lots held under identical ownership shall be considered as one combined lot for purposes of subsection (1) of this section. However, the following may not be included in a combined lot:

(a) Except as provided in this paragraph, a lot on which a structure has been placed or improvements made for the purpose of erecting any temporary or permanent structure. One lot on which a single-family dwelling has been placed, and lots on which the structures and improvements that are appurtenant to that single-family dwelling have been placed, may be included in a combined lot that does not exceed 20 acres.

(b) A lot that is in a subdivision containing lots that have been or are being offered for sale.

(c) A lot that is not designated forest or agricultural land for the purpose of land use or special tax assessment purposes.

[(4)] (3) To qualify under subsection [(3)] (2) of this section,]:

(a) An owner of forestland [shall] **must** make **an** application to the [forester] **State Forester** no later than April 15 of the fiscal year preceding [each] **the** fiscal year for which the owner desires the land to be assessed under subsection [(3)] (2) of this section. The application [shall] **must** be on a form prescribed by the State Forester. **The State Forester may charge** a fee of \$25 per combined lot [shall], **to** be paid to the [forester] **State Forester** at the time of [first] application for the combined lot.

(b) **After an application under paragraph (a) of this subsection is approved, the owner of the forestland must apply again, as described in paragraph (a) of this subsection, every five years.** [An additional] **The State Forester may charge** a fee of \$25 per combined lot [shall], **to** be paid to the [forester] **State Forester** at the time of subsequent application[, if an application for the combined lot was not made for the previous fiscal year].

[(5)] (4) The State Board of Forestry may adopt rules for the administration of the provisions of subsections [(3) and (4)] (2) and (3) of this section.

[(6)] (5) For the purposes of this section, "lot" and "subdivision" have the meanings given those terms in ORS 92.010.

## EMERGENCY FIRE COST COMMITTEE

**SECTION 18.** ORS 477.440 is amended to read:

477.440. (1) **As used in this section:**

(a) **"Grazing land owner" means an individual, combination of individuals, partnership, corporation or association that holds an ownership interest in grazing land in this state.**

(b) **"Large forest owner" means an individual, combination of individuals, partnership, corporation or association that holds an ownership interest in at least 5,000 acres of timberland in this state.**

(c) **"Small forest owner" means an individual, combination of individuals, partnership, corporation or association that holds:**

(A) **An ownership interest in at least 10 acres, but less than 5,000 acres, of timberland**

1 in this state; and

2 (B) All of the acres within a single tax lot and within contiguous parcels owned by the  
3 same individual, combination of individuals, partnership, corporation or association.

4 [(1)] (2) The State Board of Forestry shall appoint an Emergency Fire Cost Committee for the  
5 purpose of carrying out the provisions of this section and ORS 477.445, 477.450, 477.455,  
6 477.460, 477.755, 477.760, 477.770 and 477.775.

7 (3) The committee may:

8 (a) Make recommendations to the board concerning the minimum qualifications for  
9 serving on the committee.

10 (b) Establish standards, requirements or procedures that the committee considers nec-  
11 essary for the effective administration of the committee.

12 (4) The committee shall consist *[consisting]* of *[four]* six members, including one nonvoting  
13 representative of the board and five voting members who are appointed by the board as fol-  
14 lows:

15 (a) Two members who *[shall be]* are, or are representatives of, large forest *[landowners or*  
16 *representatives of forest landowners]* owners whose forestland is being assessed for forest fire pro-  
17 tection within a forest protection district.

18 (b) Two members who are, or are representatives of, small forest owners whose  
19 forestland is being assessed for forest fire protection within a forest protection district.

20 (c) One member who is, or is a representative of, a grazing land owner whose forestland  
21 is being assessed for forest fire protection within a forest protection district.

22 (5) The board shall appoint at least one member *[shall be selected]* from each forest region *[of*  
23 *the state]* established under ORS 527.640.

24 (6) Members shall serve at the pleasure of the board.

25 [(2)] (7) Members *[of the Emergency Fire Cost Committee]* shall be appointed *[by the board]* for  
26 four-year terms. *[Appointments under this subsection shall be made by the board within 60 days after*  
27 *July 21, 1987.]*

28 (8) If there is a vacancy for any cause, the board shall make an appointment to become imme-  
29 diately effective for the unexpired term.

30 **SECTION 19.** (1) The State Board of Forestry shall appoint the first five voting members  
31 of the Emergency Fire Cost Committee described in ORS 477.440 on or before December 31,  
32 2025.

33 (2) Notwithstanding ORS 477.440 (7), of the voting members of the committee first ap-  
34 pointed by the board:

35 (a) One shall serve for a term ending one year after the date of appointment.

36 (b) One shall serve for a term ending two years after the date of appointment.

37 (c) One shall serve for a term ending three years after the date of appointment.

38 (d) Two shall serve for a term ending four years after the date of appointment.

39 (3) The board may appoint to the committee persons serving on the committee on the  
40 effective date of this 2025 Act who qualify under ORS 477.440.

41 **SECTION 20.** ORS 477.445 is amended to read:

42 477.445. The Emergency Fire Cost Committee shall:

43 (1) *[Supervise and control]* **Oversee** the distribution of funds from the Oregon Forest Land Pro-  
44 tection Fund established under ORS 477.750.

45 (2) **Review expenditures from the fund.**

(3) Review budgets for forest protection districts and provide recommendations on the budgets to the State Board of Forestry.

(4) Prior to the beginning of each fiscal year, distribute payments for the fiscal year budgets of forest protection districts to the State Forestry Department and forest protection districts.

**SECTION 21.** ORS 477.450 is amended to read:

477.450. (1) *[After July 1, 1961,]* The Emergency Fire Cost Committee shall meet and elect one of its members as chairperson. *[The chairperson shall hold office for a period determined by the committee.]*

(2) Whenever the office of chairperson of the committee becomes vacant, the committee at its next regular or special meeting shall elect one of its members to fill the vacancy.

**SECTION 22.** ORS 477.455 is amended to read:

477.455. (1) Regular meetings of the Emergency Fire Cost Committee shall be held quarterly *[prior to the day set for meetings of the State Board of Forestry]*, as otherwise provided by law.

(2) Special meetings of the committee may be called by its chairperson or by *[three]* a majority of the voting members.

(3) The act or decision of *[any three]* a majority of the voting members shall be deemed the act or decision of the committee.

*[(2)]* (4) A staff member of the State Forestry Department shall be designated by the State Forester to serve as administrator for the committee.

**(5) The committee may employ staff members, in coordination with the State Forester.**

**SECTION 23.** ORS 477.460 is amended to read:

477.460. (1) The administrator **described in ORS 477.455** shall:

(a) Act as secretary of the Emergency Fire Cost Committee; and *[shall]*

(b) Carry out the provisions of ORS 477.440 to 477.460 in such manner as the committee shall direct.

(2) The salary and other expenses of the administrator **and of staff members** shall be paid from the Oregon Forest Land Protection Fund as are other expenses of the committee.

*[(2)]* (3) Members of the committee are entitled to compensation and expenses as provided in ORS 292.495.

## OREGON FOREST LAND PROTECTION FUND

**SECTION 24.** ORS 477.750 is amended to read:

477.750. (1) The Oregon Forest Land Protection Fund is created, separate and distinct from the General Fund.

(2) *[This fund]* **The Oregon Forest Land Protection Fund** shall be held by the State Treasurer as a trust fund for the uses and purposes provided in ORS 477.750 to 477.775 *[and 477.880]*.

(3) The State Treasurer shall deposit and invest moneys in the fund as provided by law, taking into account its uses and purposes. Interest earned by the fund shall be credited to the fund.

*[(2)]* (4) Notwithstanding any other law and as limited by ORS 477.750 to 477.775 *[and 477.880]*, that part of the suspense account created by ORS 321.145 that is derived from the tax levied by ORS 321.015 (2) after refunds and other costs permitted by law, shall be credited to the Oregon Forest Land Protection Fund.

**SECTION 25.** ORS 477.755 is amended to read:

477.755. (1) As used in this section, “annual expenditure” means the expenses of the Oregon Forest Land Protection Fund obligated in any 12-month period *[designated by the Emergency Fire Cost Committee by rule, corresponding to the policy period of any insurance for emergency fire costs]*, **consistent with the fiscal year budgeting of the State Forestry Department.**

(2) Notwithstanding ORS 291.238, the moneys in the Oregon Forest Land Protection Fund are continuously appropriated to the Emergency Fire Cost Committee for the purposes of:

*[(a) Equalizing emergency fire suppression costs for safeguarding forestland in any forest protection district;]*

**(a) Making payments for the fiscal year budgets of forest protection districts, but not for centralized administration costs;**

(b) Paying necessary *[administrative]* expenses, not to exceed the limit authorized by the Legislative Assembly each biennium;

*[(c) Contributing to the payment of emergency fire suppression costs insurance premiums, subject to the payment limitation established in ORS 477.775 (4);]*

*[(d) Paying costs related to the availability and mobilization of emergency fire suppression resources on a statewide basis; and]*

*[(e)]* **(c)** Paying for nonroutine purchases of supplemental fire prevention, detection or suppression resources that will enhance the ability of the forester to perform fire protection responsibilities within a forest protection district~~[,]~~; **and**

**(d) Issuing loans to the department or forest protection associations that relate to necessary wildfire costs.**

*[(3) Notwithstanding any other provision of law, the annual expenditure from the Oregon Forest Land Protection Fund from revenues received from ORS 321.015 (2), 477.277 (1), 477.295 (1) and (2), 477.750 (1) and (2), 477.760 (4) and 477.880 may not exceed the lesser of:]*

*[(a) \$13.5 million; or]*

*[(b) The sum of:]*

*[(A) The lesser of \$10 million or 50 percent of the eligible annual fire suppression costs determined by the committee;]*

*[(B) Necessary administrative expenses as determined by the committee and authorized under the limit described in subsection (2)(b) of this section;]*

*[(C) Contributions to the payment of emergency fire suppression costs insurance premiums, subject to the payment limitation established in ORS 477.775 (4);]*

*[(D) The lesser of \$3 million or three-fifths of the actual cost of activities described in ORS 477.777 (1)(b) and (c); and]*

*[(E) Any amounts expended for nonroutine purchases described in subsection (2)(e) of this section.]*

**SECTION 26.** ORS 477.760 is amended to read:

477.760. *[(1) The reserve base of the Oregon Forest Land Protection Fund is \$22.5 million. On or about the last day of February of each year]* The Emergency Fire Cost Committee shall:

**(1) Adopt rules relating to the administration of the Oregon Forest Land Protection Fund.**

**(2) [Meet and] Annually** determine the unencumbered balance of the fund as of **the end of** the preceding *[February 16]* **calendar year.**

*[(2) In order to maintain the reserve base of the fund at \$22.5 million, the Emergency Fire Cost Committee may request and the State Treasurer may approve transfers to the fund in accordance with*

ORS 293.205 to 293.225, if the moneys in this fund fall below the reserve base, whether or not there are sufficient moneys in the fund to pay the obligations of the fund. Repayment of any such transfers shall be made from moneys paid into the fund pursuant to ORS 321.015 (2), 477.277 and 477.880 and from such other moneys as may be credited to the fund therefor.]

[(3) If the committee determines that the moneys in the fund exceed:]

[(a) The reserve base, and that no repayment obligations are outstanding from transfers made pursuant to subsection (2) of this section, then the Department of Revenue shall reduce the taxes described in ORS 321.015 (2) by 50 percent for the following calendar year and the surcharge for each improved lot or parcel described in ORS 477.277 and the assessments described in ORS 477.880 shall be reduced by 50 percent for the following fiscal year.]

[(b) \$30 million, and that no repayment obligations are outstanding from transfers made pursuant to subsection (2) of this section, then the Department of Revenue may not collect the taxes described in ORS 321.015 (2) for the following calendar year and the surcharge for each improved lot or parcel described in ORS 477.277 and the assessments described in ORS 477.880 may not be collected until the calendar year or fiscal year following the determination of the committee that the unencumbered balance in the fund is less than or equal to \$22.5 million.]

[(4)(a) Notwithstanding any other provision of law, if the funds referred to in subsection (2) of this section are inadequate to cover repayment of transfers from the State Treasurer or from other sources, the State Forester shall increase the following taxes, assessments and charges in an amount adequate to ensure repayment of the transfers, and any interest accrued thereon, allowing for contingencies in valuation, assessment and collection:]

[(A) The harvest tax referred to in ORS 321.015 (2).]

[(B) The surcharge on developed lots referred to in ORS 477.277.]

[(C) The minimum assessment referred to in ORS 477.295.]

[(D) The acreage assessments referred to in ORS 477.880 (2).]

[(b) The increases to taxes, assessments and charges shall be apportioned based upon the proportionate levels of revenues received from each source by the Oregon Forest Land Protection Fund. Any such increases shall be computed on or before January 1 of each year, and shall be based upon revenues received during the previous four quarters. Any such increases shall be made in the appropriate calendar or fiscal year following that in which the requested transfers from the State Treasurer or from other sources are made.]

**SECTION 27.** ORS 477.775 is amended to read:

477.775. (1) [Prior to February 1 of each year] **At the first regularly scheduled meeting of the Emergency Fire Cost Committee in a calendar year**, the [Emergency Fire Cost Committee] **committee** and the [forester] **State Forester** shall consult regarding the purchase of emergency fire suppression costs insurance and the level of coverage to purchase for the fire season of that year.

(2) In determining whether the purchase of insurance is advisable, the [forester] **State Forester** and the committee shall consider:

(a) The cost, coverage and deductible of insurance available from private insurance carriers;

(b) The funding available for fire suppression [from the Oregon Forest Land Protection Fund and other sources];

(c) The current condition of forests;

(d) Long-term weather predictions;

(e) Available fire fighting resources; and

(f) Available funds for the purchase of insurance.

(3) If *[the committee and the forester agree]* **the State Forester decides** to purchase insurance, the *[forester]* **State Forester** shall purchase insurance through the Oregon Department of Administrative Services *[to cover any lawful expense incurred by the State Forestry Department, or contractors or cooperators, that is payable by the Oregon Forest Land Protection Fund]*. The insurance may be obtained through negotiation or competitive bids, whichever is in the best interest of the state, *its contractors and cooperators*].

*[(4) The Oregon Forest Land Protection Fund may not be charged for payment of more than one-half of any premium for the insurance.]*

**SECTION 28.** ORS 477.777 is amended to read:

477.777. (1) As part of the preparation of the agency request budget submitted to the Oregon Department of Administrative Services pursuant to ORS 291.208 for the State Forestry Department, the State Forester shall prepare, in addition to any amounts budgeted for forest protection districts pursuant to ORS 477.205 to 477.281, a request for a General Fund appropriation for the following purposes:

(a) Providing funds for the purchase of emergency fire suppression costs insurance under ORS 477.775.

(b) Acquiring and placing centrally managed fire suppression resources for statewide use.

(c) Acquiring fast-mobilizing, short-term contingency resources to be used based on predictions of severe fire weather, widespread lightning events or serious resource shortage due to a heavy fire season in this state, in the western region of the United States or nationally.

(d) Enhancing forest protection district resources in cases where land productivity or other economic factors seriously limit the ability of the *[forester]* **State Forester** to perform fire protection responsibilities.

(e) Mitigating forest patrol assessment rates in cases where land productivity or other economic factors seriously limit the ability of the owners of forestlands in the forest protection district to comply with ORS 477.210 (1).

**(f) Providing funds for centralized administration costs.**

**(g) For deposit into the State Forestry Department Large Wildfire Fund established by section 10 of this 2025 Act to provide funding for costs associated with obligations to the General Fund due to estimated emergency firefighting costs.**

**(h) Providing amounts to offset the annual costs of fire protection provided by the State Forester for certain forestland under section 41 of this 2025 Act.**

(2) The State Forester shall utilize critical discretion in the expenditure of the funds provided to the State Forestry Department pursuant to the separate request required under subsection (1) of this section.

(3) The State Forester shall report to the Emergency Board, each year, after the close of the fire season, on:

(a) The nature and severity of the fire season;

(b) The moneys expended on fire suppression, **including moneys expended on resources acquired in accordance with subsection (1)(b) and (c) of this section and moneys expended for emergency firefighting costs;**

(c) The balance remaining from the biennial appropriation; and

(d) Any matters arising out of the fire season that may require attention or warrant future consideration by the board or the Legislative Assembly.

(4) When reporting the nature and severity of the fire season under subsection (3) of this section,

for each fire consuming 1,000 or more acres, the State Forester shall provide information regarding *[the resulting losses on private lands of timber, buildings, fencing and livestock and of grazing land capacity if the land is expected to be unavailable for two or more grazing seasons.]*:

(a) **The number of buildings that were damaged or destroyed by fire during the fire season.**

(b) **The number of acres of forestland that were burned during the fire season and an estimate of the economic value of the effects on the forestland.**

(c) **The number of acres of grazing land that were burned during the fire season and an estimate of the economic value of the effects on the grazing land.**

(d) **Any other information the State Forester deems relevant.**

**SECTION 29.** ORS 291.055 is amended to read:

291.055. (1) Notwithstanding any other law that grants to a state agency the authority to establish fees, all new state agency fees or fee increases adopted during the period beginning on the date of adjournment sine die of a regular session of the Legislative Assembly and ending on the date of adjournment sine die of the next regular session of the Legislative Assembly:

(a) Are not effective for agencies in the executive department of government unless approved in writing by the Director of the Oregon Department of Administrative Services;

(b) Are not effective for agencies in the judicial department of government unless approved in writing by the Chief Justice of the Supreme Court;

(c) Are not effective for agencies in the legislative department of government unless approved in writing by the President of the Senate and the Speaker of the House of Representatives;

(d) Shall be reported by the state agency to the Oregon Department of Administrative Services within 10 days of their adoption; and

(e) Are rescinded on adjournment sine die of the next regular session of the Legislative Assembly as described in this subsection, unless otherwise authorized by enabling legislation setting forth the approved fees.

(2) This section does not apply to:

(a) Any tuition or fees charged by a public university listed in ORS 352.002.

(b) Taxes or other payments made or collected from employers for unemployment insurance required by ORS chapter 657 or premium assessments required by ORS 656.612 and 656.614 or contributions and assessments calculated by cents per hour for workers' compensation coverage required by ORS 656.506.

(c) Fees or payments required for:

(A) Health care services provided by the Oregon Health and Science University, by the Oregon Veterans' Homes pursuant to ORS 408.362 and 408.365 to 408.385 and by other state agencies and institutions pursuant to ORS 179.610 to 179.770.

(B) Copayments and premiums paid to the Oregon medical assistance program.

(C) Assessments paid to the Department of Consumer and Business Services under sections 3 and 5, chapter 538, Oregon Laws 2017.

(d) Fees created or authorized by statute that have no established rate or amount but are calculated for each separate instance for each fee payer and are based on actual cost of services provided.

(e) State agency charges on employees for benefits and services.

(f) Any intergovernmental charges.

(g) Forest protection district assessment rates established by ORS 477.210 to 477.265 *[and the*



*Oregon Forest Land Protection Fund fees established by ORS 477.760].*

(h) State Department of Energy assessments required by ORS 456.595 and 469.421 (8).

(i) Assessments on premiums charged by the Director of the Department of Consumer and Business Services pursuant to ORS 731.804 or fees charged by the director to banks, trusts and credit unions pursuant to ORS 706.530 and 723.114.

(j) Public Utility Commission operating assessments required by ORS 756.310 or charges paid to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987.

(k) Fees charged by the Housing and Community Services Department for intellectual property pursuant to ORS 456.562.

(L) New or increased fees that are anticipated in the legislative budgeting process for an agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted budget or the legislatively approved budget for the agency.

(m) Tolls approved by the Oregon Transportation Commission pursuant to ORS 383.004.

(n) Portal provider fees as defined in ORS 276A.270 and established by the State Chief Information Officer under ORS 276A.276 (3) and recommended by the Electronic Government Portal Advisory Board.

(o) Fees set by the State Parks and Recreation Director and approved by the State Parks and Recreation Commission under ORS 390.124 (2)(b).

(3)(a) Fees temporarily decreased for competitive or promotional reasons or because of unexpected and temporary revenue surpluses may be increased to not more than their prior level without compliance with subsection (1) of this section if, at the time the fee is decreased, the state agency specifies the following:

(A) The reason for the fee decrease; and

(B) The conditions under which the fee will be increased to not more than its prior level.

(b) Fees that are decreased for reasons other than those described in paragraph (a) of this subsection may not be subsequently increased except as allowed by ORS 291.050 to 291.060 and 294.160.

## ACREAGE ASSESSMENT

**SECTION 30. ORS 477.880, 477.960 and 477.970 are repealed.**

## ZONING OF CERTAIN LANDS

**SECTION 31. ORS 476.310, 476.320, 476.330, and 476.340 are repealed.**

**SECTION 32. Lands that are classified under ORS 476.310 as zone 1 lands immediately prior to the effective date of this 2025 Act are classified as Class 3 lands, as defined in ORS 526.324, unless and until reclassified.**

**SECTION 33. ORS 242.702 is amended to read:**

242.702. As used in ORS 242.702 to 242.824, unless the context requires otherwise:

(1) "Appointing power" includes every person or group of persons who, acting singly or as a board, council or commission, are vested with authority to select, appoint or employ any person to hold any position subject to civil service under ORS 242.702 to 242.824.

(2) "Appointment" includes all means of selecting or employing any person to hold any position subject to civil service under ORS 242.702 to 242.824.

(3) "Civil service" means the civil service system established under ORS 242.702 to 242.824.

(4) "Commission" means a civil service commission created under ORS 242.702 to 242.824.

(5) "Commissioner" means a member of the civil service commission created under ORS 242.702 to 242.824.

(6) "Employees" means persons whose principal duties consist of preventing or combating fire or preventing the loss of life or property from fire.

(7) "Fire department" means any organization maintained by any political subdivision for the purpose of preventing or combating fire.

(8) "Governing body" means the council or city commissioners of a city, the county court or board of county commissioners of a county, the board of directors of a rural fire protection district[, **and** the board of commissioners of a domestic water supply corporation *[and the county court or board of county commissioners acting under ORS 476.310 to 476.340 for the purposes of preventing and controlling fire on zone 2 rural lands]*.

(9) "Political subdivision" means any city, county, municipal corporation, rural fire protection district[, **or** domestic water supply corporation *[or organization authorized under ORS 476.310 to 476.340 to combat fire on zone 2 rural lands which employs four or more full-time firefighters, not including the chief of the fire department]*].

(10) "Position" includes any office, place or employment.

## RURAL FIRE PROTECTION DISTRICTS

**SECTION 34.** ORS 478.010 is amended to read:

478.010. (1) A rural fire protection district may be formed in the manner set forth in ORS 478.010 to 478.100.

(2) A district may not include:

*[(a) Territory within a city unless otherwise authorized by law.]*

*[(b)]* **(a)** Territory within a water supply district organized under ORS chapter 264 if the district has previously been authorized by its electors to exercise the fire protection powers prescribed by ORS 264.340.

*[(c)]* **(b)** *[Forestlands]* **Forestland** included within a forest protection district under ORS 477.205 to 477.281 unless the owner consents and notifies the rural fire protection district[, *however, forestland protected pursuant to ORS 477.205 to 477.281 and not exceeding five acres in one ownership shall be included in the rural fire protection district without the owner's consent if the ownership includes any structures subject to damage by fire*], **except as provided in subsection (3) of this section.** *[Forestland included in a rural fire protection district under this subsection subjects the forestland to assessments for fire protection by the rural fire protection district and the forest protection district.]*

*[(d)]* **(c)** Railroad rights of way or improvements thereon or rolling stock moving thereover unless the owner of such property consents.

*[(e)]* **(d)** Ocean shores as defined by ORS 390.605.

**(3)(a) Notwithstanding subsection (2)(b) of this section, forestland protected pursuant to ORS 477.205 to 477.281 that is within the exterior boundaries of an existing rural fire protection district shall be included in the rural fire protection district without the owner's consent.**

**(b) Forestland described in paragraph (a) of this subsection is subject to limitations on assessment as described in section 36 of this 2025 Act.**

(4) Forestland protected pursuant to ORS 477.205 to 477.281 that is included in a rural fire protection district is subject to assessments for fire protection by the rural fire protection district and the forest protection district.

**SECTION 35.** The amendments to ORS 478.010 by section 34 of this 2025 Act apply to all rural fire protection districts, whether formed before, on or after the effective date of this 2025 Act. Forestland described in ORS 478.010 (3)(a), as amended by section 34 of this 2025 Act, is made part of a rural fire protection district without the district's taking any action to include such forestland.

**SECTION 36.** (1) As used in this section, "qualified forestland" means forestland that is:

(a) Included in a rural fire protection district under ORS 478.010 (3); and

(b) Outside the limits of a city.

(2) If a structure exists, in whole or in part, on qualified forestland, the property subject to taxation by a rural fire protection district shall include the value of any structures subject to taxation and may not exceed 10 acres in any one ownership.

(3) If a structure does not exist on qualified forestland, the property subject to taxation by a rural fire protection district is limited to individual lots or parcels not exceeding 10 acres in size and may not include any lot or parcel exceeding 10 acres in size.

**SECTION 37.** ORS 478.120 is amended to read:

478.120. The authority to include forestland within a rural fire protection district pursuant to ORS 478.010 [(2)(c)] (2)(b) applies to forestland within the exterior boundaries of an existing district and to forestland on which structures subject to damage by fire have been added after July 20, 1973.

**SECTION 38.** ORS 478.140 is amended to read:

478.140. Any owner consenting to add the forestland of the owner to the district under ORS 478.010 [(2)(c)] (2)(b) shall do so on forms supplied by the Department of Revenue. The owner shall file the original with the district. The district shall forward a copy to the assessor of each county in which the land is located, within 20 days of receipt.

## **TRANSFERS FROM MOBILIZATION FUND**

**SECTION 39.** ORS 476.565 is amended to read:

476.565. (1)(a) The State Fire Marshal Mobilization Fund is established in the State Treasury, separate and distinct from the General Fund.

(b) The State Fire Marshal Mobilization Fund consists of moneys appropriated by the Legislative Assembly for deposit in the fund, grant funds received by the Department of the State Fire Marshal from the Federal Emergency Management Agency, and other moneys appropriated, allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise.

(c) Moneys in the fund are continuously appropriated to the department for:

(A) Eligible mobilization costs incurred by the department and reimbursements pursuant to ORS 476.560[.]; and

(B) Transfers pursuant to subsection (2) of this section.

(2) The department may transfer moneys from the fund to the following funds as the department deems necessary to carry out its duties:

(a) The State Fire Marshal Fund established under ORS 476.055; and

(b) The Community Risk Reduction Fund established under ORS 476.396.

[(2)] (3) As used in this section, "eligible mobilization costs" means expenses incurred for

emergency mobilization and pre-positioning activities in Oregon.

## TREASURY LOANS

**SECTION 40.** (1) If the State Treasurer transfers moneys under ORS 293.210 from funds having excess moneys to funds under the administration of the State Forestry Department or the Department of the State Fire Marshal during the biennium ending June 30, 2027, for the purpose of enabling those agencies to pay for wildfire suppression costs, the Legislative Assembly shall appropriate moneys or otherwise make moneys available to the borrowing funds in an amount sufficient to repay the lending funds.

(2) As used in this section, “borrowing fund” and “lending fund” have the meanings given those terms in ORS 293.205.

## FIRE PROTECTION COST OFFSET

**SECTION 41.** (1) In each biennium, the State Forestry Department shall apply an offset against the annual costs of fire protection provided by the department for forestland that is:

(a) Classified as Class 3 under ORS 526.324; and

(b) Located within a forest protection district.

(2) The department shall apply the offset equally to each acre of forestland subject to the offset.

**SECTION 42.** In addition to and not in lieu of any other appropriation, there is appropriated to the State Forestry Department, for the biennium beginning July 1, 2025, out of the General Fund, the amount of \$1,500,000 to carry out the provisions of section 41 of this 2025 Act.

## CAPTIONS

**SECTION 43.** The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.

## EFFECTIVE DATE

**SECTION 44.** This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.